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UNITED KINGDOM

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THE

REAL CAUSE

OF THE

DISTRESSES OF THE COUNTRY:

DEMONSTRATED IN A

Letter

TO THE

RIGHT HON. THE EARL OF LIVERPOOL,

FIRST LORD OF THE TREASURY.

LONDON:

1820.

A

LETTER,

&c.

My Lord,

That the distresses of the country continue rather to increase than to diminish, is a fact which seems to be admitted on all sides; and it is equally evident that there is no public confidence, either that the cause of these distresses has been satisfactorily ascertained, or that any of the various remedies proposed will remove the evils, of which there is so much reason to complain. In the Houses of Parliament, the subject, in some shape, is almost daily adverted to; and members, of different interests and opposite politics, are actively and eagerly engaged in discussing those questions, which are supposed to affect our national prosperity. The Poor Laws, the Corn Laws, Cash Payments, Liquidation of the Public Debt, Depression of Trade, Ruin of Agriculture, or Reform in Parliament, are the daily topics of senatorial eloquence. Session after session, since the decisive battle of Waterloo, have the talents of the first men of the age been exercised on various subjects relative to the situation of the country; and nothing has been done, or rather, no cure has been effected. Year after year passes away, and our difficulties augment as we go on. Remedies seem to be proposed and adopted before the cause of the disease has been accurately defined. For the two or three first years after the peace, the sudden transition from war, and the revulsion, as it was called, of commerce, were said to be the causes of all our calamities; that we were suffering a temporary evil, which would very soon cure itself. Certainly a change from war to peace must affect many thousands of individuals, but it cannot for a moment be admitted to be a national calamity, even of short duration. This opinion

does not now prevail. Experience has taught that it is not true, and people seem to be at a loss to what to attribute the distresses of the country. It is indeed inconsistent with common sense to suppose, that a nation can be in a state of less prosperity in peace than in war; that poverty can be the consequence of diminished expenses with undiminished means; and that a free commerce to all parts of the world can be productive of less profit to the nation than the confinement of it under severe restrictions, expenses, and dangers, to particular countries, as was the case during the war. These things cannot be; they are utterly at variance with common sense. It is not, therefore, the peace which has produced the evils of which we so loudly complain. There must then be some other cause for our distress. Enlightened statesmen, political economists, and writers of various descriptions, all admitting the fact, have assigned to it different causes;—The disciples of Mr. Malthus hint at a *redundant Population;*—Mr. Tierney says it is *Paper Currency;*—Mr. Brougham, *excessive Taxation;*—Mr. Baring, *restrictive Trade;*—Sir Francis Burdett, *want of Radical Reform;*—While others attribute all the calamities of the country to the *Poor Rates.*

I will endeavour to prove that these causes, jointly, or separately, are not sufficient to account for the great stagnation and poverty which cover the face of the land; and first I will show that it is not a redundant Population.

A nation cannot be said to be over-peopled if sufficient food be generally produced for the consumption of its inhabitants. I believe that in the United Kingdom a sufficiency is generally produced, and that it is only in bad seasons that we are compelled to seek the aid of foreign countries: if we had only one half our present population, we might still be sometimes under the necessity, if the seasons became worse, of importing food from abroad. That we do so occasionally is therefore no proof that there are too many people in the country.[1]

[1] I admit that there is a redundant Population in the educated parts of society, which occasions much misery to that portion who have to maintain themselves by the exercise of mental talent. The competition in the professions, and in the middle ranks of the trading community, is dreadful. It is the source of much wretchedness to many thousands; and it is our misfortune that these men, of all others, are the least fit for emigration. The consideration of this subject will be well worthy the attention of the public, and may tend to discourage that spirit of educating all ranks of people, which seems to be very much the fashion of the day. I do not, however, believe that redundant Population, generally speaking, is the cause of our distress.

Secondly, Paper Currency.—A great deal too much gloomy consequence has been attached to this expedient, which was highly beneficial to the country when adopted, and can only be made injurious by our own folly. Money being useful merely for the purpose of an interchange of commodities; of what consequence is it, whether that interchange be made by paper or gold? There may be some danger of persons in power supplying the market with more than the public necessities require, which would immediately produce a depreciation in the value, by raising the price of commodities, and thereby injuring those who were holders of paper money before the depreciation took place. But even this evil (I mean an over-issue of paper money, which has not yet taken place,) could not create permanent distress. A paper currency is generally received and paid at the same value. It cannot affect national riches or prosperity, which depend not on the species or quantity of its currency, but on the produce of its soil, and its arts and manufactures. Substitute gold or silver for every bank note now in circulation, and will any one contend that our miseries are at an end?

Thirdly, Excessive Taxation.—I am aware that it will be difficult to dispose of this question, as not touching the distresses of the country. In fact it must be admitted, that taxation does materially contribute thereto, though I think it does not produce that overwhelming ruin which some people are apt to imagine. The effect of taxation, and particularly such a taxation as ours, the bulk of which goes to pay the interest of the National Debt, is simply this:—It enables a certain number of persons (creditors of the State) to live by the labors of others; but it does not so materially affect the national prosperity—that is, the productions of the soil, or the industry of the people—because it neither increases nor diminishes those productions in any great degree. It may be said, indeed, in one way, to increase the national wealth, by stimulating the people to industrious exertion, to enable them to pay the taxes; while, on the other hand, the creditors of the State, being themselves with their servants and dependants, idle and unproductive, in proportion to their numbers, must diminish the resources of the country. In making this calculation upon the effect of the National Debt, I presume that the mass of the fundholders are Englishmen, and that they expend in this country the amount of their dividends. It makes every difference if the money arising from the dividends were to go abroad; in that case, it would have the effect, as I shall soon show, of a contribution to a foreign State; it would impoverish and exhaust us; but spent amongst ourselves, it is money taken out of the pocket of one and given to another, and again to another, and no value actually

goes out of the country. The nation loses nothing but the waste or consumption of the individual fundholders, who in numbers are too inconsiderable to create national distress.

That restrictive Trade occasions our present distresses can hardly be supported, because restrictions have existed in the most prosperous times of the country, and in some instances in a greater degree than they do now.

The Edinburgh Review has lately put forth an article condemning the policy of our Corn Laws, and endeavouring to prove that they operate as an excessive Poll Tax upon the people. This doctrine does little credit to those, who are supposed to be very profound in matters of Political Economy. The price of corn does now, as it always has done, with certain exceptions arising from accidental causes, regulate the price of every species of labor, and it signifies not to the laborer whether he pays 40*s.* or 80*s.* per quarter for his corn, if his wages be in like proportion. All trades and professions are governed by the same principle. Since the price of corn became 80*s.* per quarter, are not the physician's and the lawyer's fees double what they were when the price was only 40*s.* per quarter? The same argument prevails generally with regard to all persons whatever, except fundholders who lent their money when corn was 80*s.* per quarter, and who alone would benefit by the reduction of the price to 40*s.* In the latter case they would command double the labor they could have done when they lent their money. This would not be justice to the rest of the community, and I therefore maintain that it is the interest of all (fundholders excepted), that the price should continue not less than 80*s.* This price will enable the farmer to pay his rent and taxes, and to clothe his family; and it will enable the landlord to employ manufacturers and mechanics in the supply of his wants, which for a considerable time he has in many instances been unable to do, by the non-payment of his rent: thereby leaving his neighbouring tradesmen in a state of idleness and starvation. Is it for the interest of the laborer or manufacturer to pay 40*s.* per quarter for his corn with not half employment, or 80*s.* with his hands full of work? Ask the men themselves for an answer to this question! It is not, therefore, restrictive commerce, nor a high price of corn, [1] which occasions our present calamities.

[1] The only argument entitled to consideration respecting the consequence of a high price of corn, is, that it increases the price of labor, and consequently the price of goods *for exportation*, enabling thereby other nations to supply the same goods at a cheaper rate. But our advantages in machinery and skill will infinitely more than counterbalance a price of labor 50 per cent. higher than it is now, and we should incur no risk of losing the supply of foreigners with the same quantity of goods that we do at present, by that circumstance.

I now come to Radical Reform: and I think it incumbent upon the advocates of that nostrum, to show that a House of Commons, constituted upon the principle of Universal Suffrage and Annual Parliaments, would have the power of the steam engine in the operations of productive labor, before they call upon us to expect that the adoption of that measure will remove poverty and misery

That the *Poor Rates* occasion our distresses, cannot for a moment be maintained. Pauperism is the consequence, not the cause, where the laws are properly administered, and where imposition is guarded against.

Having now, I trust, satisfactorily proved that it is neither *redundant Population*, nor *Paper Currency*, nor *excessive Taxation*, nor *restrictive Trade*, nor the *want of Radical Reform*, nor the *Poor Rates*, which occasion the miseries and distresses of the people, it behoves me to point out some other cause, the exposure of which will, with irresistible force, at once carry conviction to the mind. What then will be the feelings of Englishmen, if I prove to a demonstration, that this country is now, after the termination of a glorious war, and the accomplishment of an honorable peace, in precisely the same situation, as to national prosperity, as if we had been a conquered people by Napoleon, and rendered tributary to his superior power? We are actually tributary; not forcibly, but voluntarily so. We remit annually 36 millions of the productions of the soil, or the industry of the people, to foreign nations, principally France and Italy, to support *Absentees*. This is the source of "all our woe." Let the Absentees come home. Let the 36 millions be expended in this country; let us obtain from those foreign nations the "*Quid pro quo*," and all will be right again. We can bear excessive taxation: sinecures and pensions are a drop in the bucket. Industry and the use of machinery are equal to all this; but thirty-six millions, earned by the sweat of our brow, and handed over to foreign nations without an equivalent, is more than can be borne. As the principle of Solar gravity is constantly, secretly, and imperceptibly operating to the preservation of the universe; so does the expenditure of Englishmen in foreign countries, imperceptibly to common observation, undermine the prosperity of their own. It is this, that creates misery and fosters discontent; it is this, that swells the ranks of the Radicals, and will continue, while the evil exists, to increase their numbers. I take the sum at thirty-six millions, because the number of absentees, with their servants and dependants, is computed at 100,000; and from their rank in life, they must, upon an average, expend one pound each per day. Let the consequence of this be calculated, although not

the same in a direct manner to individuals, with regard to the nation, and to individuals indirectly, it is the same as if a tax of thirty-six millions were levied upon this country for the use of France. Englishmen, burning with indignation, will exclaim—Is this possible? It is true; and we have allowed it, hitherto for years, quietly to be done. It may be contended, that people have a right to spend their money where they please. I am a strenuous advocate for personal liberty; *but the country must not be impoverished to ruin.* I deny the right. I am not a Spencean; but I deny that they have by natural justice—which ought to be law in all countries, and is acknowledged to be so in this—any such right. A landed proprietor is a trustee for the benefit of the public; he has a right to all the advantages and gratifications which his property can afford him in his own country. As, from the physical nature of man, those gratifications must necessarily be, in most cases, limited in proportion to the produce of his land; so he has no right to dispose of the remainder of that produce, in a way to be of no benefit to the sons of the soil. It surely will not be contended that a landlord is so completely the owner of his estate, that he would have the right, if he had the inclination and the power, to throw it into the sea; neither has he the right to give the productions of it to a foreigner; but this is done, and in the way that I have set forth, not precisely in the actual produce, but generally in money or in manufactured goods obtained in exchange for that produce. I will not involve the subject in mazes similar to that of the bullion question, or in the intricacies of the arguments as to foreign exchanges. The simple matter of fact will be better illustrated by the following example:—A man of 1,000*l.* per annum landed property in England, chooses to reside in the charming and salubrious climate of the south of France; he orders his agent to remit to him his rents. At this period, an English merchant sends 1,000*l.* value in goods to Bordeaux. The agent wants a bill, to remit the landlord, and the merchant wants payment for his goods. An agreement takes place between the parties; the latter receives the amount of the rents in exchange for a draft upon the consignee of the goods, which draft is remitted by the agent to his employer, and thus the matter is settled to the accommodation of both parties, and without apparent or direct loss to either. But mark the consequence to the nation! The value of the goods wrought by the industry of England, is appropriated to pay in France the expenses of the English gentleman, and not one farthing of it ever returns to this country in any shape. If the landlord resided at home, he would expend his 1,000*l.* amongst his neighbouring tradesmen, and the merchant would get payment for his goods in money or some commodity of France, which would, of course, increase the wealth

and the means of England. This statement must be intelligible to every understanding, and proves that all money expended by Englishmen abroad, is an absolute drain or tax upon the people at home, and is, moreover, the means of enriching our natural enemies, and furnishing them with the sinews of future war. It is a vulgar and a most erroneous notion, that a man of great income enjoys any great portion of his wealth in his own person. It is said that the Duke of Northumberland has 150,000*l.* per annum. What a small part of this immense wealth does he himself consume! His stewards, his tradesmen, his servants, and various other persons, get nearly the whole of it. Perhaps in his own person he does not waste or injure the country to the extent of 50*l.* per annum. Even his food and his clothing are almost all profit, in some shape, to others; but suppose the 150,000*l.* per annum were expended in France: what labor, what industry would it require to produce property to such an amount to export abroad, *and for which no return would be made?* what, too, would become of those persons in this country, who were themselves supported, and were the support of others, by means of the Duke's income? Thousands, aye tens of thousands of tradesmen and persons in different classes of life, derive benefit by the circulation of this property here, which sent abroad, would leave them to press for support upon other portions of society; thereby injuring, to a certain extent, the whole body, and producing the very calamities which we all now so feelingly deplore. It is to be hoped, when the consequences of non-residence are made perfectly clear to our countrymen abroad, they will return without compulsion; but it is the paramount duty of the government to enforce the residence of all those who derive their means of living, either from the soil or the funds of this country. A tax upon absentees has sometimes been talked of: but a tax will not do; it will only remedy the evil in proportion to the per centage, which cannot be very considerable. Let them be recalled. Queen Elizabeth would not allow any person of consideration in her time to reside out of her dominions without a special licence, which was not easily obtained, nor without good cause shown. In the present day, such a restraint would be considered a great infringement upon personal liberty; *but the country must be saved.* By adopting the example of his great predecessor, George the Fourth might incur the censure of hundreds, but he would have the praise and gratitude of millions; and even the few would have no rational ground of complaint—they would only be deprived of a privilege which is not permitted even to the monarch himself. What! are we to be worse off in peace than in war? Are we to lay by no resources for future hostilities? Are we to throw into the lap of France

the produce of our industry and our soil, and to receive nothing from her in return—and all this to gratify the taste or caprice of a few individuals; (I do not mean those abroad on public or private business, or invalids, to whom the indulgence, upon proper proof, ought to be allowed.) No, no! The mass of the people will never allow this, when cause and effect are made clear to their comprehension. They have hitherto borne their privations, which high and low have suffered with patience, ignorant of the precise cause, but willing to hope for the speedy termination. Alas! that termination they will not see, unless the remedy here proposed be adopted. Year after year, they will find their means diminish, till, driven to despair, even the well-disposed will listen to the delusive language of the Radicals. Let the government and the legislature take care that this necessity is not forced upon a people, who are sufficiently enlightened to be determined to assert the right of enjoying the fruits and the industry of their own country.

That the number of idle absentees who are spending English money abroad, consists of not less than 100,000, and that their daily expenses upon an average are twenty shillings each, seems to be generally admitted by those best informed on the subject. There are now 20,000 at Paris, 3000 at Boulogne, 2000 at Calais, 2000 at Brussels, 2000 at Tours, 2000 at Bordeaux; several thousands at Rome and at Naples; and they are spread more or less in every town and village in France, the Netherlands, Switzerland, and Italy. In September, 1818, there were nine English physicians at Paris, whose practice was entirely with English patients. If this statement be not correct, let measures be taken to ascertain the truth; and if it be established, I will ask those who may be inclined to discredit the conclusions which I have drawn therefrom, why France is now enjoying a high state of prosperity, acknowledged by all who have been there, and admitted to be unknown at any former period of her history; and why this country is laboring under a degree of distress—not partial or confined to particular districts or classes of the community, but, fundholders excepted, general throughout the kingdom—amongst the agriculturists, merchants, and manufacturers, landlord and tenant, master and servant; on all sides, from the Land's End to the Orkney Islands. It is supposed, and very properly supposed, that poverty and misery are the consequences of war. Have we then had more war than the French during the last thirty years? Has our trade been more confined or less successful? Is our capital inferior? Are the laws respecting property less efficient or protecting? Are the arts and sciences, and use of machinery, not so well understood here as in France, and are the divisions of labor not so complete? In short, is our progress not so advanced as that of the French, in all

those circumstances that constitute the wealth of nations? The contrary in each of these particulars is well known to be the fact. The French have had more foreign war than ourselves, in addition to civil war (from which, thank God! we have been exempt) with all its horrors, and *its sure accompaniment, destruction of property.* How comes it then, that there are thousands of our lower classes without employment and in a state bordering on starvation, while there is no such thing in France? It is said the people there, of all ranks, are in comfortable circumstances: this comes home to my argument. The French keep within themselves their own resources, and they receive the voluntary contributions of other countries. Let us reverse the picture. Suppose the whole of our countrymen now abroad were to return, and that certain rich foreigners were to think fit to reside in England, expending the enormous sum of thirty-six millions sterling; would not the whole of our population be in a state of complete prosperity, enjoying the riches (productions) of other countries *as well as the whole of our own?* Discontent would be banished from the land, and England would be in temporal prosperity and happiness, as superior to other countries as she is in refinement, in commerce, and in all her charitable, moral, civil, and religious institutions.

I have the honor to remain,

My Lord,

&c. &c. &c.

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